

# CSR Report 2018



Corporate Social Responsibility Report in accordance with section 99(a) of the Danish Financial Statements Act and report on the gender composition of governance bodies in accordance with section 99(b) of the Danish Financial Statements Act



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## CSR REPORT

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**MTH GROUP's** logo on the front of this report refers to the entire MTH GROUP, which this CSR Report covers.

The CSR Report is published in both Danish and English. In case of discrepancies or in case of doubt, the Danish version shall prevail.

Photo on front cover: Kilehusene in Roskilde. Constructed in a collaboration between MT Højgaard and Lindpro Scandi Byg.

# Future building will be sustainable

## 100 YEARS' EXPERIENCE

In 2018 we celebrated the Group's centenary. We are very proud to have reached this milestone. Throughout the last 100 years we have left our mark on Denmark and in other countries. During this time we have helped to develop new construction methods and new technologies for use in the construction industry. Every day we have come up with new and better solutions for challenging tasks and our pioneering spirit and driving force have contributed to the development of Danish society. This is something we intend to continue.

As one of the leading players in the industry it is both natural and important for us to accept social responsibility. We have integrated the 10 principles of the UN Global Compact into our CSR policy and we work proactively to apply them.

For us, sustainable building is about products, people, environment and society. Within these areas we build bridges between our companies and ensure that we concentrate our individual approaches and focus on working together to promote sustainability and share knowledge across the Group.

As a Group, we are motivated by a desire to influence the development of sustainability in the industry, especially in collaboration with our customers. We embed sustainability in both construction and operation and focus on certified building. In 2018, we were involved in the certification of 11 construction projects and we expect this number to increase in 2019. By embedding sustainability in our construction

projects, we can help to create a sustainable future. That is why we also take an active role in specialist networks, where we collaborate with other parties in the industry on driving a sustainable agenda.

Our unwavering commitment to a good working environment, safety and wellbeing means that our injury rate is significantly below the industry average of 15.4 in 2017. Our vision is zero injuries, and while we are not there yet, we have made good headway.

Our injury rate was 8.1 in 2018, compared with 14.4 in 2016 and 10.3 in 2017. Our employees are our most valuable asset, and we therefore insist on a safe and healthy working environment. Our employees must never doubt that they are working in a safe workplace, and it is important for us that all our employees return home safe to their families every day.

The industry in general is committed to attracting more female employees. That also applies to our Group. With 12% female employees, we exceed the industry average, but we are committed to increasing this percentage still further. Our Group has 13% female managers.

Proper and decent behaviour is fundamental to the way we do business. We have a duty to act professionally in all our activities. That is also why we work only with suppliers who behave properly and decently and promote responsible business behaviour, and we expect them to comply with our Code of Conduct. We expect all our suppliers and subcontractors to accept the same responsibility.



Anders Heine Jensen  
President & CEO

## HIGHLIGHTS 2018

- Injury rate of 8.1 per one million hours worked (2017: 10.3)
- Percentage of female employees in the Group: 12% (2017: 12%)
- Percentage of female managers in the Group: 13% (2017: 13%)
- Employees employed in training posts: 7.8% (2017: 8%)
- Waste recycling rate: 54% (2017: 45%)
- Sustainability certifications on 11 construction projects (2017: 9)

# Group at a glance

The Group is one of the leading players in the construction and civil engineering industry in Denmark. The key companies are MT Højgaard, Enemærke & Petersen, Lindpro, Scandi Byg and Ajos. The companies operate as independent units and brands, each enjoying a leading position in its respective sub-market, but also work together by sharing knowledge and capabilities.

The vast majority of the Group's activities are carried out in Denmark for Danish and international private and public customers, primarily in the form of main contracts, design-build contracts or Public-Private Partnerships (PPPs).

## Revenue by business area



## Revenue by geography



Assisting with establishing temporary buildings in the form of pavilions, and establishment, organisation, operation and dismantling of construction sites; equipment hire for construction, civil works and refurbishment projects.



Refurbishment of non-profit housing, schools, commercial buildings, day care centres and co-operative and owner-occupied housing as well as construction of new housing, schools, institutions, offices and other buildings.



Contracting and service solutions in the fields of electrical installations, plumbing and heating, fire and security alarm systems, and assistive technology such as call systems, dementia systems and personal alarm systems.



Construction and civil works and related service and consultancy assignments as well as development of property projects.



Prefabricated modular residential buildings (Nordic Swan Ecolabel certification), offices, institutions and healthcare facilities; modular site huts; pavilions for accommodation, institutions and offices.



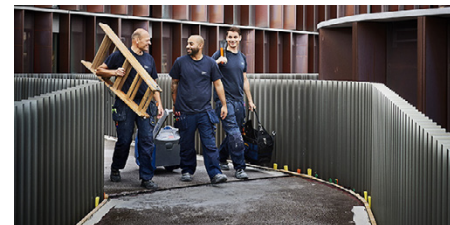
### Construction

The Group develops, constructs and refurbishes buildings on a main, design-build or subcontract basis for private and public customers, organisations and housing associations, mainly in Denmark, the North Atlantic countries and a few chosen geographies. Construction activities are carried out by MT Højgaard, Enemærke & Petersen, Lindpro and Scandi Byg.



### Civil works

The Group undertakes infrastructure projects, earthworks and piling, marine works and shell construction, primarily in Denmark and a few chosen geographies. Civil works activities are carried out by MT Højgaard.



### Services

The Group provides services to the construction and civil engineering industry in Denmark through Ajos, Enemærke & Petersen, Lindpro and MT Højgaard.

### Core capabilities

In the course of the past 100 years, the Group has built up experience in areas such as Design & Engineering, Virtual Design & Construction (VDC), project development, strategic partnerships, sustainability, technical installations and in-house production.

# Our approach to CSR

## CSR IN OUR GROUP

The Group is committed to acting in a socially responsible manner across our five wholly-owned companies, and we publish a joint CSR report for MT Højgaard, Enemærke & Petersen, Lindpro, Scandi Byg and Ajos. Our reporting is based on the internationally recognised reporting system, Global Reporting Initiative (GRI). Our reporting follows GRI Standards Core 2016.

## MATERIALITY ANALYSIS

In 2017, we started work on our materiality analysis to map the trends our stakeholders see in relation to construction and the areas to which they attach the greatest importance. Our initial analysis showed that relevant players in the construction industry place great emphasis on three key topics:

**Working conditions**, including health and safety and pay and employment terms for both employees and subcontractors.

**Corporate Governance** and behaviour, including fair competition and Code of Conduct.

**Sustainable construction**, including materials, procurement, certifications and circular economy.

We have grouped these key topics under four strategic indicators, which we have incorporated in our CSR work to ensure that we implement the initiatives that are most relevant for our Group, the industry, our customers and our surroundings. We will continue working on this analysis in 2019.

## OUR STRATEGIC INDICATORS

We still measure our performance against four strategic indicators. We report on the Group's action within each of these four indicators, which are:

- Business behaviour
- Human rights
- The workplace and industrial relations
- Environment

## THE UN 17 GLOBAL GOALS

The UN Global Goals provide a long-term, ambitious framework benefiting people and the environment across the globe. In 2018, we chose to measure performance against the 17 Global Goals, because we can make a real difference in a sustainable development context as a Group working in the construction and civil engineering industry. The goals also help to provide the whole industry with a common language that can be used to communicate both major and minor action taken. We are working broadly on the global goals and strategically on eight chosen goals. This is our contribution to the creation of a sustainable society. We are particularly committed to the following goals:

- 4: Quality education
- 7: Affordable and clean energy
- 8: Decent work and economic growth
- 9: Industry, innovation and infrastructure
- 11: Sustainable cities and communities
- 12: Responsible consumption and production
- 16: Peace, justice and strong institutions
- 17: Partnerships for the goals

These eight goals guide our action within our four strategic indicators.

## ORGANISATION OF CSR

Group management is always conscious of the opportunities and risks facing us in our CSR work and guarantees that we are constantly tackling the most relevant CSR initiatives.

We attach importance to working systematically on the principles and policies we have defined to ensure a strong foundation for our initiatives in material areas. These include areas related to decent jobs and decent production. Top management and managers and specialists within the various relevant areas evaluate all policies and principles on a regular basis to ensure that our approach is always timely and relevant.

## STRUCTURE OF REPORT

On the following pages, we will introduce our principles and policies and describe our action within our four indicator areas. The description is supported by selected cases. The GRI index, both the general index and the index related to our indicators, can be found at the end of the report, followed by an appendix setting out performance in 2018.



# Business behaviour



## HONEST BEHAVIOUR AND GOOD COLLABORATION

Professional conduct in daily life and focus on collaboration within the Group are business priorities. We appreciate the importance of honest and ethical conduct, as our behaviour affects our business, our customers and society in general. We are therefore committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

### OUR PRINCIPLES AND POLICIES

We have an internal and an external Code of Conduct policy in which we make it clear that we dissociate ourselves from all forms of corruption, bribery, extortion, etc.

We wish to create good cooperation throughout the industry. Cooperation is essential in order to abolish professional demarcation lines and benefits both the construction process and the completed project, so we are taking the lead and helping new forms of collaboration to get underway.

### ACTIONS

**Whistleblowing policy:** Since 2014 we have had a whistleblowing policy that is designed to enable both employees and external parties to report concerns anonymously if they suspect

or have actual knowledge of abuses or unlawful acts. These reports are forwarded directly to an independent law firm, which makes a thorough assessment of the facts and documentation of the case before management makes a decision on possible consequences.

**Workshops on ethical behaviour:** Since 2017, we have held workshops for our employees on our policies on anticorruption, gifts and services. At these workshops employees are confronted with various dilemmas that they might encounter in their everyday work. The aim is to equip them to understand our policies in this area and act within their framework.

**Cooperative behaviour:** Cooperation is a high priority in our Group and we stress the importance of cooperative behaviour. Good cooperative behaviour gives advantages in terms of economies of scale and the chance to ensure increased efficiency and productivity, when several of the companies in our Group are represented on the same project. Lastly, cross-company optimisation of purchasing, health and safety action, IT infrastructure and training creates the basis for improving the Group's performance and promotes collaboration and knowledge sharing.

**Innovative partnerships:** The Group has become the industry leader with a new form of collaboration, in which the construction partners in a cross-disciplinary collaboration enter into framework agreements for construction over a number of years. The TRUST partnership, made up of contractors, architects, landscape architects, engineers and representa-



tives from Byggeri København, the City of Copenhagen's construction unit, is in its third year of collaboration to build schools and educational institutions in the City of Copenhagen.

The TRUST partnership has made it possible to meet the city authority's expectations in respect of better and cheaper construction. In addition, the partnership has prepared the ground for more trustful collaboration across the industry, focusing on gathering and sharing knowledge and developing construction-related processes.

### The Holberg School

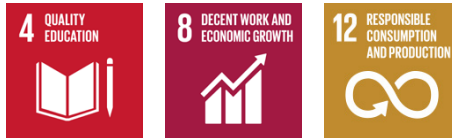
In connection with the refurbishment of the Holberg School, Enemærke & Petersen worked together with the TRUST team from the design

phase through to planning and execution without interruptions and without unnecessary further consultation between the parties. This was possible because the close, interdisciplinary collaboration resulted in greater dialogue, enabling the parties to work out the best possible solutions for the project. This good collaboration eliminated professional demarcation lines and made it possible to minimise risks and optimise design, time and finance.

# Business behaviour



# Human rights



## EVERYONE MUST BE TREATED PROPERLY

Proper, decent behaviour is part of the way we do business. We must treat our employees, customers, suppliers, business partners and others properly at all times.

### OUR PRINCIPLES AND POLICIES

**Global Compact:** In 2015, we joined the UN Global Compact, which seeks to promote responsible business practices in such areas as human rights and labour.

**Code of Conduct:** Our internal and external Code of Conduct comply with the UN guiding principles for responsible business practices and human rights.

**Requirements made of subsuppliers:** The Group requires back-to-back agreements from subsuppliers on all projects, meaning that tender conditions must also be passed down to the underlying subsupplier agreements. We will not tolerate forced labour or child labour in our own companies or at subsuppliers. It is important for us to ensure that our business partners and suppliers respect internationally recognised human rights. That is why we only enter into agreements with suppliers who comply with these requirements and the laws in the countries in which they operate.

**Equal opportunity:** The Group will not tolerate any form of discrimination. But the Group is also aware that discrimination may occur covertly and not necessarily be brought to our attention, but it is an area that we take very seriously. It is essential for us that employees both on our construction sites and in our offices feel safe and respected at work.

We wish to promote equal opportunities, and gender, race, religion, etc. are therefore not a factor in our recruitment or employment practices. We respect diversity. We believe that diversity contributes to greater mutual understanding and gives us a broader view of ourselves and our colleagues. Diversity helps to create better solutions and gives us a better understanding of our customers' needs.

**Freedom of association:** The right of our employees to freedom of association and collective bargaining is a fundamental principle that we respect and value, both in Denmark and on our international construction projects. The Group has a constructive, efficient collaboration with trade unions and other employee representatives.

We comply with all relevant collective bargaining agreements in the countries in which we operate. We also demand of subcontractors in those countries that they do the same and are able to document compliance.

### ACTIONS

**Checking materials:** We expect our suppliers to comply with applicable laws and have high social, ethical and environmental standards.

When purchasing, we ask the supplier to follow our guidelines and we reserve the right to check that the requirements are met and to terminate the contract if they are not. On projects with a contract value of over DKK 50 million, we also conduct a systematic review of the tender documentation to ensure that the contracts do not include clauses that are contrary to human rights.

We have helped to develop a standard tool for the industry that can be used to check compliance, making it easier to ensure that requirements are met in practice. However, we believe that the highest risk of an adverse impact on human rights exists in countries outside Europe and, as a result, we screen all new suppliers outside Europe if the contract value exceeds DKK 1 million.

We also acknowledge that all businesses may have an adverse impact on human rights, and we therefore continuously map our business partners and suppliers to prevent and - as appropriate - remedy any such adverse impacts.

### From refugee to construction engineer in one year

Enemærke & Petersen focuses on social entrepreneurship, including the integration of refugees. Maha, an engineer from Syria who came to Denmark as a refugee in 2016, was offered an internship on a construction project in Aalborg; the following year she became a construction engineer trainee and she is now a construction engineer and speaks fluent Danish. Maha enjoys her job and contributes to

reciprocal professional and cultural exchange and understanding.

### Training in Africa

Every year Lindpro supports the PlanBørnefonden educational project at technical schools in various African countries. Among other things, in 2018 the funds from Lindpro meant that 63 young women and men were accepted for a two-year training course as electricians in Mali. In addition to subjects relating to the job of electrician, the young people learn about solar energy, entrepreneurship and basic business skills to enable them to start up as self-employed when they have completed their training. The electrification of rural areas in Mali is spreading, so there is a need for competent electricians and many young people are therefore interested in this course.

### Focus on women on construction sites

In Ajos, which is responsible for construction site organisation, the focus is on adapting site cabins so that they are also suitable for female employees on the construction site. Ajos is trying to create better, more private bathing facilities, so that female employees will feel they are treated equally with regard to the facilities on the construction site.



# Human rights



# The workplace and industrial relations



## A GOOD, SAFE WORKPLACE

Going to work must be pleasant and safe, so we focus on health and safety, because we want to create the best working environment in the industry. It is all about our employees returning home safe every day.

## OUR PRINCIPLES AND POLICIES

**Retaining employees:** We have strongly motivated employees, which means that we are developing all the time. Retention of competent employees and focus on job satisfaction and motivation is a focus area.

**Skills development:** We focus on skills development and provide continuous further training for employees at all levels.

**Joint responsibility:** Our employees must work constructively and openly to prevent injuries. A safety week must be held annually, focusing on safety and a good working environment.

## ACTIONS

**Employee satisfaction:** We measure employee satisfaction every two years, and will be conducting the next survey in 2019.

**Safety week:** The topics in 2018 were planning, instruction and supervision, focusing on roles and

responsibilities, as we need to ensure that site managers take responsibility for planning the work so it can be carried out safely. We also focused on ensuring that our hourly paid workers are instructed on how to perform tasks safely, including ensuring that electrical machinery is inspected and safe to use.

We developed a safety game based on everyday workplace situations. The purpose of the game was to create dialogue about safety on the individual construction site. During the week there was also an opportunity to enrol on a first aid course, on which employees were taught how to help a colleague in the event of an accident.

**Training:** We train employees on leadership and project management in order to ensure that our managers can apply the methods and tools we use for managing our projects. We take responsibility for training employees and offer traineeships in office work, apprenticeships in skilled trades, engineering internships, constructing architects and chief engineers, and student placements. In 2018, the Group had 7.8% of employees in training posts, thus achieving the target of 7%, despite problems with finding apprentices in certain parts of the country.

We also have talent development programmes and the construction industry's first graduate course, in which engineering graduates travel around Denmark and other countries and gain experience of different areas of our activities. In this way we ensure that they acquire a wide knowledge of the Group and that their knowledge is based on experience with us,

while we obtain fresh knowledge from the best graduates from their respective courses.

**Technology:** We are helping to promote new technology to strengthen a sustainable and innovative industry, while also reducing risks, protecting our employees and enhancing productivity. We are focusing on such areas as automated processes, drone and robot technology, for example to help to create better digital models, estimate quantities more precisely and make better use of resources. This includes the use of lifting and drilling robots for hard physical work.

**A flexible working life:** We gain a lot from retaining our older employees. They contribute valuable knowledge acquired over a long working life. We therefore create flexible conditions, so that our seniors can stay with us, even after reaching retirement age. We and society in general need them.

## Research in management development

MT Højgaard and Enemærke & Petersen jointly have four PhD students, who are researching such areas as supply chain management and leadership. The management project focuses on the special features of management in the construction industry and uses research on actual management on construction sites to provide new information on the development and implementation of management initiatives throughout the organisation. Our ambition is to fine-tune existing management development initiatives and create new forms of development based on the particular conditions in the industry, which will therefore be more effective than

the initiatives suggested by current, general management literature.

## More than just an apprentice

Lindpro has a long tradition of offering apprenticeships in disciplines such as electrical, plumbing and heating and automation technician. In 2018, Lindpro was nominated for DI Prisen, the annual prize of the Confederation of Danish Industry, for its strategic investments in apprentices. In addition to their vocational training, the apprentices acquire skills in collaboration, action, navigation and communication. They are attached to an apprentice manager and can participate in apprentice committees, where they can raise issues they think management should discuss. This results in a closer link between management and apprentices.

## Danish and European Skills Championships

This year, MT Højgaard's best carpentry apprentice had the chance to compete in the Danish Skills Championship, resulting in an excellent 3rd place. He was then given permission to prepare for the European Championship, with his site foreman as mentor. He returned home with an impressive bronze medal.

## Good preparedness on the construction site

The employees on one of MT Højgaard's construction sites learned the importance of being well-prepared. When one of the employees suffered a heart attack, the site foreman rang the emergency services. A colleague fetched a defibrillator and gave heart massage and electric shock three times before the doctors arrived and took over. The employee has now recovered.

# The workplace and industrial relations



# Environment



## WE THINK SUSTAINABLY

We endeavour to make our products more sustainable to minimise the negative impact on the environment and society. We do this by integrating sustainability into our construction projects and our daily operations for the benefit of both the environment and our business.

## OUR PRINCIPLES AND POLICIES

Our ambition is to help to make Denmark greener through the way we operate our business. We do this specifically by increasing the proportion of renewable energy in our projects and reducing waste through prevention, reduction, reuse and recycling. We strive to use environment-friendly technologies and solutions in our activities wherever possible.

We do not tolerate breaches of our environmental responsibility that may be harmful to the environment and the climate, or to the Group and our customers and business partners.

## ACTIONS

When we sort waste, we create value for the environment and the Group. We save raw materials, energy and money, and we reduce our carbon footprint. On our construction sites we sort waste at source so it can be recycled. We are also committed to sorting waste in our

offices, including our canteens, where we have separate waste streams for food, paper and residual waste. In 2018, the Group increased its recycling of waste to 54% from 45% in 2017.

**Circular construction:** We take part in an industry collaboration on circular construction, which concerns designing buildings to ensure better use and management of the materials we use to construct them - focusing not only on what happens to the materials when we demolish the buildings but also what happens to them throughout the life cycle of the building, as materials are regularly replaced in connection with operation and maintenance. This involves a conscious choice of resources at the design stage based on where they come from and how they are manufactured and used.

**Certification:** The Group's construction projects are certified in accordance with leading certification systems such as DGNB, LEED, BREEAM and the Nordic Swan Ecolabel. We strive to ensure that we always have the latest knowledge within this area. We thus embed the sustainability process already in the initial project phases, as this is the be-all and end-all in relation to optimising the buildings in relation to the desired certification.

In 2018, the first prefabricated modular building with the Nordic Swan Ecolabel was delivered to the EcoVillage co-housing project, and Slagelse Hospital was the first, and so far the only, hospital building in Denmark to be awarded the DGNB gold certificate at the time of handover. The UN sustainability goal was also linked to the construction. We thus made the targets quanti-

fiable by demonstrating that it is possible to link the Global Goals to the certification.

## PhD on circular economy

In MT Højgaard, a PhD student is working with the University of Southern Denmark and the Danish Building Research Institute (SBI) on investigating, through research on the life cycles of buildings and building materials, how we can support the design and decision-making processes in construction in order to ensure that the buildings of the future have less impact on the environment, make more efficient use of resources and add more value.

## MultiFlex Living

MT Højgaard has been involved in the development of Circle House, the world's first public residential building constructed on circular principles. We use the experience gained from circular construction in our concept building MultiFlex Living, which is a standardised, proven concept, in which the use of well-known, tried and tested solutions and robust, long-lasting materials contribute to a good indoor climate and low energy consumption.

The building components consist either of recycled materials or of materials that can be reused. This means that the building helps to minimise waste, thus causing the least possible environmental impact both now and in the future.

## Upcycle Challenge

Enemærke & Petersen and BLOXHUB, an industry network for urban development, have created the 'Upcycle Challenge' competition in order

to generate new ideas for reusing building waste such as slates, tiles and laths, which would otherwise be discarded when a roof has to be replaced. The competition winners suggested using these materials for building unheated storage spaces, and this idea is now being explored.

## First modular building with Nordic Swan

In 2018, Scandi Byg became the first construction company in Denmark to produce modular buildings with the Nordic Swan Ecolabel as standard. The certification criteria are tightened around every three years, and high sustainability requirements have to be met, as well as requirements relating to the building's life cycle from raw materials to manufacture, use, disposal and recycling. Scandi Byg has removed substances that are harmful to health or the environment from its production, such as in joint fillers, paint, glue and varnish, as well as in building products such as drain pipes, wall and floor cladding, windows and ventilation systems. These measures help to reduce the overall environmental impact of the building. This is good for our production employees, who thus avoid contact with harmful substances, and for the occupants, who get a healthy home.

## Environment-friendly washing and cleaning

In Lindpro, for particularly dirty work, they use cloths and work clothing that previously led to large amounts of waste. These are now instead sent to the laundry. Here they are cleared of metal splinters, oil and traces of chemicals before being used again.

# Environment



# GRI content index

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<b>102-3</b> Location of headquarters	28	●	●
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<b>102-6</b> Markets served	16	●	●
<b>102-7</b> Scale of the organisation	16	●	●
<b>102-8</b> Number of employees	16	●	◐
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<b>102-10</b> Changes during the reporting period	16	●	●
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## GENERAL STANDARD DISCLOSURES

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		Breadth	Depth
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Reporting level ● ● ●

**SPECIFIC STANDARD DISCLOSURES**

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**SPECIFIC STANDARD DISCLOSURES**

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Reporting level ● ◐ ◑

# Appendix

## 102-1 102-2 102-5

The Group is owned by the two listed companies Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%).

The report includes MT Højgaard and the four wholly-owned companies Ajos, Enemærke & Petersen, Lindpro and Scandi Byg.

- Ajos, which hires out equipment and offers advice on construction site organisation
- Enemærke & Petersen, which undertakes refurbishment and newbuild projects
- Lindpro, which carries out electrical installation and service contracts
- MT Højgaard, which undertakes civil works, construction and refurbishment projects
- Scandi Byg, which manufactures and constructs prefabricated modular buildings

## 102-4

On 31 December 2018, the Group had employees at permanent offices in Denmark, the Faroe Islands, Greenland, the Maldives and Vietnam.

## 102-6 102-7

The Group works in chosen markets - geographically and in terms of capabilities. The Group serves both public and private customers.

Denmark:

- Civil works and construction
- Equipment hire and advice on construction site organisation
- Electrical installations
- Prefabricated modular buildings

Faroe Islands:

- Civil works and construction

Greenland:

- Civil works, construction and electrical installations

Maldives:

- Civil works and construction

Sweden:

- Steel bridges

The Vietnam office assists the Group's Danish Design & Engineering department.

## 102-7 102-8

The Group is organised into MT Højgaard with four wholly-owned companies and is primarily a project organisation.

### FINANCIAL HIGHLIGHTS

DKK million	2017	2018
Revenue	7,648	6,758
Operating profit/(loss) before special items	176	-547
Equity	884	393

## 102-7 102-8 102-41

### \*EMPLOYEES (FTE): 102-8

	2017	2018
Number of employees	4,132	3,914
Salaried/hourly employees (%)	37/63	43/57
In Denmark/rest of world (%)	98/2	98/2
Men/women (%)	88/12	88/12
Covered by collective bargaining agreements (%)	67	61

\*102-8 d N/A

## 102-9

Our supply chain consists primarily of supplies of building products/materials from a range of suppliers/subsuppliers in the construction industry. We also hire equipment for our construction sites such as site huts, tools, scaffolding, cranes, excavators, etc.

## 102-10

There have been no significant changes in the scale of the organisation during the reporting period. There have not been any significant changes in the organisation's structure, ownership or supply chain during the reporting period.

## 102-11

The Group has been working with risk management on an ongoing basis in relation to both industry risks and risk factors specifically related to the Group's activities. This work has been further intensified under the new Group

management due to write-downs on some projects and will continue at full pace to avoid major project deviations on new coming projects.

Group management has the overall responsibility for risk management and manages company and project-specific risks on an ongoing basis in close collaboration with the business. Material risks are documented and discussed by the Board of Directors on a regular basis. The Board and the Executive Board carry out an annual review and categorisation of the overall risk assessment on the basis of probability and potential financial impact.

For further details on the Group's risk management, see annual report 2018.

## 102-12

Economic, environmental and social charters, principles or other initiatives to which the Group subscribes, or which it endorses:

- UN Global Compact, 2015
- Charter for corporate social responsibility in the property, building and civil engineering industry in Denmark, signed in 2014



## 102-13

In 2018, the Group held memberships of associations and supported regional, national and international organisations such as:

- BLOXHUB
- Building Network
- Copenhagen Urban Network
- The Danish Building Society
- Danish Architecture Center & Sustainable Build
- The Danish Construction Association
- The Confederation of Danish Industry - DI
- Business Network Aarhus
- Business Esbjerg
- The association Sustainable Cities and Buildings (FBBB)
- The Danish Association for Responsible Construction
- Business Kolding
- Gladsaxe Erhvervsby
- Green Building Council Denmark
- The Danish Society of Engineers - IDA
- InnoBYG
- Netværk for Bæredygtig Erhvervsudvikling NordDanmark
- Network Denmark
- Nordic Road Forum
- The Capital Region of Denmark
- Regional Labour Market Councils
- Renovering på dagsordenen
- Solar City Denmark
- Water in Urban Areas
- Aarhus Fremad

Examples of our engagement:

- Member of the Board of Directors and two committees in Green Building Council, where we are influencing the criteria in the DGNB certification system
- Participation as sponsor and with a stand at IDA's annual management conference "Ledelse der styrker". Several of our managers attended the conference, which featured presentations by Danish and international management experts. The many presentations included topics such as project management, change management and management teams
- The Group participates in the "company panel" of the Confederation of Danish Industry and is active in the work of the internship unit under The Capital Region of Denmark where the goal is to secure internships across schools and businesses, using for instance training agreements
- Cooperation with various educational institutions

## 102-44 102-46 102-47 102-49

A stakeholder analysis was conducted in 2013/2014. The analysis identified CSR topics that the Group's stakeholders consider relevant. Management used the analysis to organise the topics and related GRI indicators in order of priority under the four strategic indicators, selecting the following topics:

- Anti-corruption
- Health and safety at work
- Employment
- Child labour and forced labour

- Compliance
- Energy
- Freedom of association and collective bargaining agreements
- Non-discrimination
- Investment
- Anti-competitive behaviour
- Suppliers and human rights issues
- Diversity and equal opportunity
- Product and certification schemes
- Risk of incidents of forced or compulsory labour
- Waste water and waste
- Training and education

A second stakeholder analysis was started up in 2017. In 2019, the Group will use this analysis to update its strategic CSR platform. This platform will form the basis for an updated strategy and CSR reporting for 2019. However, the Group has not changed its existing assessment of relevant topics.

## 102-40 102-42 102-43 102-45 103-1 103-2

### STAKEHOLDER GROUPS

The Group's stakeholder groups consist of organisations, groups of persons or persons that can reasonably be expected to be significantly affected by the Group's operations, and whose operations, conversely, can reasonably be expected to affect the Group's ability to carry on business.

The Group's key stakeholders are:

### Owners

The owners are interested in the Group delivering good results and being operated sensibly. The dialogue with the owners goes through the Board of Directors.

### Employees

The employees want an attractive workplace with a good working environment and exciting challenges. Each year, the manager and the employee jointly set performance targets for the employee.

### Customers

The customers are interested in having their projects completed at the agreed price, time and quality. The Group conducts dialogue meetings and customer satisfaction surveys, and makes active use of the findings to strengthen the business. The overall customer satisfaction score was 79, up six percentage points on 2017, and customer loyalty scored 82, up seven percentage points on 2017. This increase occurred on projects, where there has been a strong focus on following up on action areas from midway measurements to final measurements. Both customer satisfaction and customer loyalty exceeded targets for 2018. The targets for 2019 are a customer satisfaction score of 76 and a customer loyalty score of 76.

### Investors

Investors are interested in the Group being soundly operated and delivering good results. The dialogue with investors takes place at investor meetings.

### Subcontractors

Subcontractors are interested in projects running to plan as regards time and economy. The communication with subcontractors takes place through contracts and at meetings, but also informally at the sites in connection with the daily work.

### Business partners

Business partners include consulting engineers, architects and suppliers. Dialogue with business partners primarily takes place at meetings, and preferably at the earliest possible stage of the process.

### Authorities

The authorities regulate the markets in which the Group operates, set requirements for the Group and follow up on the Group's compliance with applicable laws.

### Society

Society in general is interested in the Group delivering good results, acting professionally and responsibly, complying with applicable laws, contributing to training and education of employees and maintaining jobs.

### Local community

The local community is interested in the work being carried out in an environmentally sound manner, without generating noise, and employing local labour or using local subcontractors. The dialogue with the local community takes place at dialogue meetings and through information to neighbours and consultations or enquiries.

### Media

Media interest in the Group covers both individual projects and the Group's financial performance. The Group meets the media with openness and a desire to convey a true picture.

### Management approach

Management's approach to each indicator is described in the relevant appendices.

102-45	102-48	102-50	102-51
102-52	102-53	102-54	

The Group reports on CSR annually in connection with the presentation of its financial statements.

The reporting period is 1 January - 31 December 2018, unless otherwise stated. The last report was published on 22 February 2018. There are no changes to that report.

The Group's 2018 reporting has been prepared in accordance with GRI Standards 2016 Core. The GRI content index can be found on page 14.

### 102-56

The auditor has reviewed the CSR report. Disclosures in compliance with the requirements in sections 99(a) and (b) of the Danish Financial Statements Act have also been reviewed by the auditor.

### 102-18

The Group's highest governance body is the Board of Directors.

The Board of Directors and the audit committee appointed by the Board of Directors are specifically responsible for the Group's financial reporting, risk management etc.

Group Management is responsible for the operational management of the Group. A number of employees or committees have been appointed under Group management each of which is responsible for one of these areas.

The Group has a Tender and Contract Board, which reviews all projects with a value above DKK 50 million before a contract is entered into by the Group. The purpose is to ensure profitability on projects.

The Group's CSR activities are managed by a CSR Board consisting of a number of relevant Group executives. The Vice President QHSE has overall responsibility for CSR, while responsibility for operating the different subareas is vested in local employees and divisions responsible for each relevant area.

For further details on the Group's corporate governance, see [mthgroup.eu/Responsibility/Corporate-governance](http://mthgroup.eu/Responsibility/Corporate-governance)

### 102-16

The Group's vision is to be the most productivity-enhancing group in the construction and civil engineering industry.

The Group works proactively towards greater achievability on construction and civil works projects and focuses on sound projects. This requires concerted action in terms of quality in tendering and good execution on projects.

As part of the Group's Code of Conduct, a joint set of values has been prepared for the five companies that we must all respect and adhere to:

- We treat everyone with respect and we take care of ourselves and each other
- We use our funds and assets responsibly
- We support open and fair competition and are good collaborative partners
- We deliver quality work and are considerate of the environment.

Each company also works in accordance with its own values. This reflects the diversity that we also represent.

**BUSINESS BEHAVIOUR**  
**IMPORTANT TO STAKEHOLDERS**



Respect for human rights, climate and environmental challenges as well as corruption are key drivers of sustainable development in society as a whole. The Group has defined a Code of Conduct that sets out our clear expectations of and guidelines for employees, customers, business partners and suppliers.

**IMPORTANT TO THE GROUP**



The Group does not tolerate any form of corruption. We will continue our efforts to increase awareness of policies by means of targeted screening of projects and communication. Our whistleblowing system enables employees to raise concerns about irregularities or criticisable practices.

**THE GROUP'S AMBITION**



The Group undertakes to act professionally, fairly and with integrity in all business activities and relations and stresses the importance of honest and ethical behaviour with regard to avoiding fraud, corruption, moonlighting, cartel formation and other conduct that could damage the Group, its customers and society.

Policies and agreements that guide the Group's work

- Code of Conduct - internal and external
- Anti-corruption policy
- Health and safety policy
- Whistleblowing policy

**ACTION AND ACHIEVEMENTS 2018**



The Group was issued with three prohibition notices and 51 immediate improvement notices, a small increase compared with

2017. Major efforts were made to prevent fall injuries and improve the organisation of workplaces, including keeping shared areas and access roads cleared and in good order to minimise the risk of slip and trip injuries.

**EXPECTATIONS/INITIATIVES 2019**



We will ensure that employees receive training in anti-corruption policies and procedures. We have set a target of zero fines and

reducing the number of prohibition notices to zero and the number of immediate improvement notices from 51 to 30. Our managers at all levels are continuously focusing on, among other things, the general work planning by construction management, to ensure that work can be performed safely and without risks to health. We focus on keeping access roads cleared and in good order and on correct use of technical aids. We also focus on preventive action against fall injuries to eliminate the risk of falls from heights.

**Risk analysis - corruption**

An analysis of the Group's risk at country level has shown that the risk is low. We have concluded that the current focus on training must be maintained, with particular focus on new employees. We have analysed the negative impact level for head offices, where the risk is the highest according to the Corruption Perception Index.

**Training in anti-corruption policies and procedures**

HR organises workshops for all new employees in the departments and countries with the highest risk. We communicate our Code of Conduct to all employees and all members of the Board of Directors.

**Confirmed incidents of corruption and actions taken**

No incidents of corruption were found.

**Anti-competitive behaviour, anti-trust, and monopoly practices**

Training has been provided in departments with the highest impact risk.

**Non-compliance with laws and regulations on health and safety at work**

The number of responses issued by the Danish Working Environment Authority was not reduced despite a targeted effort in this area. The trial by the Danish Working Environment Authority with holistic construction site inspections and its focus on major public works projects, including infrastructure, led to more responses being issued to the industry. Three incidents were of a nature that resulted in the Danish Working Environment Authority issuing prohibition notices. The Group was issued with three fines related to immediate improvement notices in respect of injuries in 2016 and 2017. We have implemented follow-up and taken steps to avoid similar situations in future. We have been notified of two further fines in 2018 and have appealed against these. Replies from the Working Environment Authority are pending.

Our efforts have centred on preventing fall injuries and improving the design of workplaces, including keeping communal areas and access roads cleared and in good order to minimise the risk of slip and trip injuries. We received the highest number of prohibition notices and immediate improvement notices in these areas, which are also the primary risk areas in the industry. We will continue our efforts in these areas in 2019.

The Group has appealed five of the 54 responses, as we considered that the Danish Working Environment Authority did not have the required statutory basis for issuing these notices. We have won four of these appeals.

**RESPONSES ISSUED BY THE DANISH WORKING ENVIRONMENT AUTHORITY – BY COMPANY**

Company	Prohibition notice	Immediate improvement notice
Ajos	0	3
Enemærke & Petersen	1	7
Lindpro	0	7
MT Højgaard	2	32
Scandi Byg	0	2
Group	3	51

## HUMAN RIGHTS IMPORTANT TO STAKEHOLDERS



Denmark is a significant global defender of international legal order, peace, human rights, and democracy in international fora, and these are also important priorities in Denmark's development work. Personal freedom and the responsibility of the individual are core values in Danish society. Each and every employee must have the freedom to create a good life for themselves. This cannot be achieved unless women and men are treated as equals. We have opted to work towards the UN 17 Global Goals because we can make a difference.

## IMPORTANT TO THE GROUP



In the Group, we treat everyone with respect and do not tolerate offensive behaviour, so we act responsibly towards our colleagues, customers and business partners and treat them with dignity and respect. There is a risk of forced labour when using foreign labour. The Group is aware of this risk and we consequently screen our suppliers and sub-suppliers.

## THE GROUP'S AMBITION



We only work with individuals, companies or organisations that respect the UN's internationally recognised human rights. Regardless of where we work, everyone in the Group is responsible for ensuring that we do not exploit or harm others, physically or mentally.

Policies and principles that guide the Group's work

- Code of Conduct - internal and external (forms part of the contract basis)
- CSR policy
- HR policy

## ACTION AND ACHIEVEMENTS 2018



All contracts with a value of over DKK 50 million were screened. We screened 101 tenders compared with 114 in 2017. The Group has prepared information material to subcontractors and their employees. No screenings were carried out outside Europe in 2018.

## EXPECTATIONS/INITIATIVES 2019



Screening of contracts will be extended as the market develops and the number of client initiatives increases and customer requirements become more stringent. We will focus on ensuring that relevant CSR requirements are adhered to when using foreign labour, and all supplier contracts outside Europe with a value of over DKK 1 million will be screened. We will also focus on establishing new, formalised processes in connection with the use of subcontractors with a view to avoiding social dumping, and on distributing information material to sub-suppliers. Screening of contracts will be extended using a risk-based assessment, and the screening process for suppliers outside Europe will be updated to comply with the new reporting process.

## Significant agreements and contracts that include human rights clauses

The industry has been challenged by a shortage of labour in recent years. The Group consequently uses foreign labour on some projects. We therefore set up an internal task force group that is tasked with ensuring that labour-hiring firms used by the Group comply with relevant CSR requirements.

## Discrimination and corrective actions taken

No incidents of discrimination were reported in the Group. The scope and tackling of bullying were analysed in connection with an employee satisfaction survey in 2017. Responses indicated that some employees felt they were being bullied or had received threats in connection with their work. There were no reported cases of discrimination. The number of indicators was significantly less than the industry average. In 2018, we carried out follow-up in the divisions in which there have been indications of bullying or threats. In the employee satisfaction survey to be conducted in 2019, the Group will follow up on the effect and continue working on this culture.

## Collective bargaining and the right to freedom of association

The right of freedom of association of our employees and their right to collective bargaining are fundamental principles that the Group respects and values.

We have commenced screening of pay conditions at subcontractors for compliance with relevant collective bargaining agreements. The screening takes the form of random checks using a risk-based assessment of the specific subcontractors. More than 130 checks were performed in 2018.

The Group has prepared information material to subcontractors and their employees. In 2018, we started implementing this material, and this work will continue in 2019. The material will be implemented on construction sites and will be handed out as appropriate - already at contract inception.

## \*SUPPLIERS – NUMBER, AMOUNT AND SCREENING: 102-9

Region	2017 DKKm	2018 DKKm	2017 %	2018 %	2017 number	2018 number	2017 %	2018 %
Denmark	5,027	5,071	95.95	96.28	6,100	6,026	95.2	96.1
Other Nordic countries	56	60	1.07	1.14	87	69	1.3	1.1
Rest of EU	111	127	2.12	2.41	123	148	2	2.3
Rest of world	45	9	0.86	0.17	93	30	1.5	0.5
Total	5,239	5,267	100	100	6,403	6,273	100	100

\* In addition, more than 130 screenings related to pay and employment terms were carried out on the Group's Danish construction sites. No incidents of child labour or compulsory labour were recorded.

## THE WORKPLACE AND INDUSTRIAL RELATIONS – EMPLOYEES

### IMPORTANT TO STAKEHOLDERS



Society is changing at an increasingly rapid pace, and it is therefore vital for companies to keep up and have a mobile, dynamic workforce. It is important for society, the Group's owners and its employees that the Group reflects today's society.

### IMPORTANT TO THE GROUP



The Group wants to be an attractive, responsible collaborative partner and employer. To that end, we strive to create the best possible conditions for our employees. We want to create a workplace where people thrive.

### THE GROUP'S AMBITION



The Group consists of ambitious companies and workplaces. We place high demands on our employees, but we also offer extensive opportunities for development and create opportunities that enable employees to help shape both the companies they work in and the projects we jointly create. Policies and principles that guide the Group's work

- Code of Conduct - internal
- CSR policy
- HR policy

### ACTION AND ACHIEVEMENTS 2018



The Group's employee turnover for salaried employees was 29% in 2018 compared with 24% in 2017, which meant that the target of a reduction of max. 5 percentage points was not met. Some companies experienced a marked increase in employee turnover as a result of deferred projects. The Group reemploys employees within the Group as far as possible. The target of 7% was met as 7.8% were employed in training posts. The Group had on average of 12 training hours per employee among both salaried employees and hourly paid employees.

We implemented a new HR portal, which is used as a hub for all HR-related processes across the Group, including learning. The Group also expanded its cooperation with educational institutions.

### EXPECTATIONS/INITIATIVES 2019



We are committed to ensuring that employees across the Group have decent working conditions. We expect a reduction of max. 5 percentage points in overall employee turnover. We operate with a target that 7% of employees must be employed in training posts, and a target of 10 training hours per employee. We focus on sending management talent to IMD in Switzerland and ensuring that employees are trained in how to use a new ERP system.

### NEW EMPLOYEE HIRES AND TERMINATIONS: 401-1

	Hourly paid	Salaried employees	Total
New employee hires	822	218	1,040
New hires leaving employment in 2018	231	23	254
Total number leaving employment	834	371	1,205

### NEW EMPLOYEE HIRES AND TERMINATIONS HOURLY PAID – BY AGE: 401-1

	Age <30	Age 30-50	Age >50
New employee hires	324	328	170
New hires leaving employment in 2018	106	81	44
Total number leaving employment	281	359	194

### NEW EMPLOYEE HIRES AND TERMINATIONS SALARIED EMPLOYEES – BY AGE: 401-1

	Age <30	Age 30-50	Age >50
New employee hires	39	133	46
New employee hires leaving employment in 2018	3	18	2
Total number leaving employment	37	208	126

### NEW EMPLOYEE HIRES AND TERMINATIONS HOURLY PAID – BY GENDER: 401-1

	Women	Men
New employee hires	34	788
New hires leaving employment in 2018	11	218
Total number leaving employment	24	808

### NEW EMPLOYEE HIRES AND TERMINATIONS SALARIED EMPLOYEES – BY AGE: 401-1

	Women	Men
New employee hires	36	182
New hires leaving employment in 2018	2	21
Total number leaving employment	94	277

**NEW EMPLOYEE HIRES AND TERMINATIONS  
HOURLY PAID – BY GEOGRAPHY: 401-1**

	Denmark	Rest of world
New employee hires	804	18
New hires leaving employment in 2018	225	5
Total number leaving employment	832	2

**NEW EMPLOYEE HIRES AND TERMINATIONS  
SALARIED EMPLOYEES – BY GEOGRAPHY: 401-1**

	Denmark	Rest of world
New employee hires	212	6
New hires leaving employment in 2018	23	-
Total number leaving employment	357	14

All employees (salaried and hourly paid) are offered health insurance. Health insurance is a self-paid employee benefit.

For details of number of employees in the Group, see table on page 16.

**THE UNDER-REPRESENTED SEX**

The Group wants to create an attractive workplace for both women and men. Women and men must be offered the same employment opportunities, employment conditions, training and education and career progression opportunities. We wish to provide equal opportunities for everyone, and we consequently consider it important to respect diversity and

promote a more even gender balance at all levels of our organisation. We believe that diversity contributes to a better understanding of our customers' needs – and thus better solutions – and a better working environment.

We focus on attracting the best employees and will strive to recruit from a broader base for management and other positions.

**Gender composition of governance bodies in accordance with section 99(b) of the Danish Financial Statements Act**

The percentage of female managers in the Group was 13% again in 2018. The focus on this area will continue in 2019, and recruitment of new employees to management positions will ensure that candidates will always include women, provided there are qualified applicants. Five female managers participated in 'Strategies for Leadership' at IMD in Switzerland.

There were no changes on the Boards of Directors of Ajos and Scandi Byg in 2018, and the targets for the number of women on their Boards by 2020 have therefore not been met yet.

**Initiatives 2019**

- Continued focus on IMD Strategies for Leadership (SL) for female managers.
- Ensuring that the recruitment process includes female candidates

**WOMEN IN THE GROUP: 401-1**

	Managers 2017	Board of Directors 2017	Managers 2018	Board of Directors 2018
Ajos	6	0	0	0
Enemærke & Petersen	15	33	14	33
Lindpro	5	33	1	33
MT Højgaard	29	33	30	33
Scandi Byg	15	0	15	0
Group	13	-	13	-

**WOMEN IN THE GROUP – 2019 TARGETS: 401-1**

	Managers	Board of Directors
Ajos	1	*33
Enemærke & Petersen	15	*33
Lindpro	3	33
MT Højgaard	30	33
Scandi Byg	15	*33
Group	**15	

\*The target for Ajos must be met by the end of 2020. The target for the Annual General Meeting in 2020 is for 33% of the members elected by shareholders at the Annual General Meeting to be women.

\*\*The long-term target is to achieve the same gender balance on governance bodies as among the total employee population.

**THE WORKPLACE AND INDUSTRIAL RELATIONS – HEALTH AND SAFETY AT WORK IMPORTANT TO SOCIETY**



It is important to the owners that the Group is able to attract and retain employees. For employees, business partners and subcontractors, a responsible workplace is important. Besides the human costs, injuries and sickness absence cost society and companies vast sums of money every year.

**IMPORTANT TO THE GROUP**



The Group considers safety and a healthy working environment as key to being a leading group in the construction and civil engineering industry. The Group’s influence extends beyond our own projects, and we strive to lead the way by setting a good example to inspire and benefit other industry players.

**THE GROUP’S AMBITION**



The Group has a joint vision of zero incidents. We wish to train all employees in health and safety via an e-learning course. We have policies and processes to help promote a good physical and psychological working environment and flexible working hours to help to encourage a healthy work-life balance: Policies and principles that guide the Group’s work

- Health and safety policy
- Code of Conduct - internal

**ACTION AND ACHIEVEMENTS 2018**



The Group reported an impressive reduction in the injury rate from 10.3 in 2017 to 8.1 in 2018. The Group has reduced its injury rate target from 14 to 8 in two years.

Two safety weeks with relevant initiatives were held, and a health and safety e-learning course was held for employees in several parts of the organisation.

**EXPECTATIONS/INITIATIVES 2019**



We aim to reduce the overall injury rate to max. 8.0. In 2019, we will introduce a mandatory safety course for a larger part of the Group. We will also focus on personal work planning. We will urge everyone to spend 15 seconds thinking through a task before starting it up to ensure that they have the right safety equipment, the right tools and the right knowledge to hand.

By increasing supervision by both supervisors and construction management, we aim to ensure that employees carry out their work as planned and adhere to known safety rules. All employees must continue to work in accordance with the DS/OHSAS 18001:2008 occupational health and safety standard or upgrade to the new DS/ISO 45001:2018.

**OVERALL FIGURES: 403-2**

	2017	2018
Injury rate (injuries per one million hours worked)	10.3	8.1
Occupational injuries resulting in absence from work	70	52
Lost days	783	527
Absenteeism rate in connection with occupational injuries	0.9	0.6

The injury rate was well below the industry average for 2017, which was 15.4.

All figures in the table above have been calculated for both salaried and hourly paid employees.

**INJURIES AND ABSENTEEISM – REGIONS HOURLY PAID EMPLOYEES: 403-2**

	Denmark 2017	Denmark 2018	Rest of world 2017	Rest of world 2018
*Injury rate per one million hours worked	18.6	15.7	6.6*	0*
**Absenteeism rate in connection with occupational injuries	1.5	1.1	0.5*	0*

\*Injury rate includes local hourly paid employees.

\*\*It is not possible to calculate injury and absenteeism rates broken down by women and men.

**TYPE OF INJURY HOURLY PAID EMPLOYEES: 403-2**

Injury type	Circumstances	Number
Injury to soft tissue (blow and bruise marks)	Fall at the same or to a lower level/bumped into/hit by	8
Wound	Stepped on or other contact with sharp objects/bumped into/hit by	10
Loss of limb	Squeezed or hit by	1
Closed fracture	Bumped into/hit by or fall at same or to lower level	4
Sprain/dislocation/strain	Fall at same or to lower level or excess strain on body	23
Open fracture	Squeezed by	1
Concussion and internal injuries	Fall to lower level	1
Electric shock	Contact with electrical current	1
Miscellaneous, eye injuries	Foreign object in eye or contact with chemicals	3

The whole Group is working to the DS/OHSAS 18001:2008 occupational health and safety standard.

#### INJURIES AND INJURY RATE – BY COMPANY: 403-2

	Number 2017	Number 2018	Injury rate 2017	Injury rate 2018
Ajos	2	3	11.9	15.4
Enemærke & Petersen	6	14	5.7	12.7
Lindpro	17	9	12.7	6.9
MT Højgaard	36	19	10.7	5.9
Scandi Byg	6	7	10.0	11.6
Group	70	52	10.3	8.1

Injuries are calculated as follows:

Injuries resulting in absence from work = injuries >one day's absence (excluding day of injury)

Day of absence = working day

#### INJURIES AND ABSENCE – EMPLOYEE CATEGORY AND REGION: 403-2

Hourly paid	Denmark 2017	Rest of world 2017	Total	Denmark 2018	Rest of world 2018	Total
Injury rate	18.6	6.6	16.5	15.7	0	12.9
Occupational injuries resulting in absence from work	65	5	70	51	0	51
Lost days	732	51	783	495	0	495
Absenteeism rate in connection with occupational injuries	1.5	0.5	1.4	1.1	0	0.9
Hazardous (near-miss) incidents	190	0	190	144	0	144
Occupational injuries not resulting in absence from work	268	6	274	302	1	303

#### Health and safety organisation

A good and safe working environment is important to all of us. The Group consequently greatly appreciates the good cooperation between management and employees in the health and safety organisation, where we jointly endeavour to promote a good and safe working environment.

The health and safety organisation not only helps the Group to comply with the Danish Working Environment Act, it also helps to ensure that health and safety is top of the agenda and that we integrate health and safety and prevention into our day-to-day routines, from planning through to execution of our daily tasks, to avoid occupational injuries.

A good working environment is a joint task that requires us all to be responsible for ourselves and each other.

#### Work clothing

We continuously focus on ensuring that we have work clothes for any work situation and any type of weather. Our focus on health and safety also extends to work clothing as a means of ensuring that our employees feel comfortable when carrying out their work.

We always involve our safety committees when selecting the range of work clothing and suppliers of same. We do that because the safety committee has the required expertise with respect to the types of work clothing our employees need.



## ENVIRONMENT IMPORTANT TO STAKEHOLDERS



It is important to our owners, customers and society that the Group complies with applicable laws. Environmental laws and regulations stipulate and set out the minimum requirements for companies' operations. Companies in Denmark are regulated by environmental regulations, including environmental approvals, which stipulate limits for and requirements related to the measurement, discharge, emission and possibly mitigation of pollution.

## IMPORTANT TO THE GROUP



The Group takes a proactive approach to global climate and environmental challenges, including carbon emissions from our buildings, and our mapping, which identifies and describes our risks. We strive to minimise our environmental and climate impacts. At the same time, we would like to continue building in a way that can actually reduce the environmental impact, save valuable resources and create gains for society in the form of, for example, improved health and wellbeing, better conditions for learning, and enhanced productivity.

## THE GROUP'S AMBITION



Our ambition is to contribute to a greener society through the way we run our business. We are specifically working on increasing the

proportion of renewable energy on our projects and reducing waste through prevention, reduction, recycling and reuse.

Policies and agreements that guide the Group's work

- Code of Conduct – external
- CSR policy
- Environment policy
- Car policy

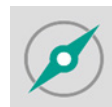
## ACTION AND ACHIEVEMENTS 2018



The Group reduced its total consumption of both direct and indirect energy compared with 2017. The energy intensity of buildings

was reduced by 7% compared with 2017, meeting the target of a 5% improvement. The relative energy consumption rose as a result of the lower revenue for the year and fewer employees. Despite an overall reduction in energy consumption, the target for the relative energy consumption was not met.

## EXPECTATIONS/INITIATIVES 2019



The Group focuses on making efficient use of resources and increasing our use of clean, environment-friendly technologies and industrial processes. Design for Disassembly will be implemented in relevant construction concepts.

We are also in the process of setting up a material library that is designed to help us deselect materials that are harmful to the environment and people.

## DIRECT ENERGY CONSUMPTION

GJ	2017	2018
Fuel purchases - petrol	564	768
Fuel purchases - diesel	110,228	97,565
Heating oil purchases - construction site	6,196	1,857
Company mileage - private car	21,536	17,385
Heating - oil	665	591
Heating - natural gas	6,795	6,130
Total direct energy consumption	145,984	124,296
Tonnes of CO <sub>2</sub> equivalent	10,443	9,073

Energy consumption from fuel purchases was reduced due to lower revenue.

Average mileage/litre for leased cars was 23.1 km in 2017 and 23.4 km in 2018.

## INDIRECT ENERGY CONSUMPTION FROM OFFICES

GJ	2017	2018
Electricity	11,943	12,224
District heat	15,303	13,526
Total indirect consumption	27,246	25,750

Energy consumption for heating fell due to rental of and sale of properties and switching from natural gas to district heat.

The conversion factors used in 2017 were also used in 2018.

## CONVERSION FACTORS USED:

Petrol:	0.33 GJ/litre
Diesel:	0.036 GJ/litre
Natural gas:	0.036 GJ/litre
Electricity and heat:	0.0036 GJ/kWh

## CONVERSION FACTORS USED – GJ TO CO<sub>2</sub> EQUIVALENT:

Petrol:	0.07
Diesel & oil:	0.0741
Private car:	0.0725
Natural gas:	0.0572

## RELATIVE CONSUMPTION

GJ/DKK million – GJ/1000t	2017	2018
Total energy consumption relative to revenue	23.9	24.9
Total direct energy consumption relative to man-hours	25.8	27.3

The relative energy consumption increased as a result of the lower revenue for the year and fewer employees.

## ENERGY INTENSITY OF BUILDINGS

	2017	2018
Energy consumption Electricity and heat (GJ)	34,706	32,471
Total heated floor area (m <sup>2</sup> )	60,171	59,411
Number of employees in offices (heated floor space)	1,609	1,363
Energy intensity of buildings (GJ/m <sup>2</sup> )	0.58	0.55
Energy intensity of buildings (GJ/employees)	21.6	23.8

The energy intensity of buildings was reduced by 7% compared with 2017, meeting the target of a 5% improvement. The energy consumption in buildings and offices accounted for 26% of the Group's total energy consumption in 2018.

**WASTE BY TYPE AND DISPOSAL METHOD IMPORTANT TO STAKEHOLDERS**



Denmark is one of the countries in the world that deposits the lowest volume of waste to landfill, and Denmark is making a concerted effort to promote a more circular economy, where materials in products can be reused instead of going to landfill. Access to these resources is important to our customers, business partners and society.

Denmark has long been engaged in a targeted effort to promote safe handling of chemicals and waste, including industrial chemicals and pesticides/biocides and to improve knowledge about chemical substances. This knowledge is important to our employees.

**IMPORTANT TO THE GROUP**



We are constantly working to reduce the environmental and climate impacts of the construction and civil works projects the

Group is involved in. Actions include optimising the construction process, the choice of materials, waste management and subsequent operation. We focus on sorting waste to minimise waste and maximise sorting at source. Construction sites generate a large amounts of waste, but if we consistently manage waste in such a way that materials that can be recycled or reused are segregated at source, we ensure that the fractions can subsequently be incorporated in new raw materials.

**THE GROUP'S AMBITION**



Our ambition is to help to make Denmark greener through the way we run our business. We do this specifically by increasing the proportion of renewable energy in our projects and by reducing waste through prevention, reduction, reuse and recycling. Policies and agreements that guide the Group's work

- Environment policy
- "A sustainable construction site" (guide)

**ACTION AND ACHIEVEMENTS 2018**



We have run trials where construction sites regularly receive an overview of their waste volumes. Overall, this has led to a reduction in mixed waste and thus a higher recycling rate. The volume of mixed waste was well below the industry average compared with the latest figure for 2016, when it was 18.

**EXPECTATIONS/INITIATIVES 2019**



Joint effort to develop the tool "A sustainable construction site" still further.

**\*WASTE**

% of total volume	2017	2018
Recycling (incl. reuse)	45	54
Including mineral wool waste for recycling	96	99
Incineration (or used as fuel)	30	27
Landfill	10	9
Mixed waste	15	10
Other (non-categorised)	0.04	0.01
Hazardous waste as a percentage of total, excl. soil	2	4

\*Waste figures provided by waste carriers.

The total weight of hazardous waste was 686,553 kg.

The total weight of non-hazardous waste excl. soil was 16,451,395 kg.

As a rule, we use non-hazardous materials in our design, and we focus on reducing waste and increasing resource efficiency, such as in our MultiFlex Living concept, where the buildings are adjusted to standard formats and the use of prefabricated modules ensures minimum waste of resources because the need for adjustment is limited.

We minimise the climate impact of our construction activities by selecting materials based on their environmental impacts during the life cycle of the building. We always give preference to the most sustainable choice.

We assess the environmental and health risks of materials and deselect materials that are harmful to the environment and people. We lay

down requirements for the materials and products that we and our subcontractors can use based on, for example, their content of heavy metals, biocides, halogenated propellants and their VOC content.

We factor in opportunities for waste sorting on construction projects. We also include relevant measures from our plan for "A sustainable construction site".

We offer our customers environmental certification, and on the construction projects we develop in-house, we often use the DGNB environmental certification.

Our modular residential buildings are certified with the Nordic Swan Ecolabel as standard.

**COMPLIANCE**

**IMPORTANT TO STAKEHOLDERS**



Society and the local communities in which we operate are interested in the Group acting professionally and responsibly, complying with applicable laws and working in an environmentally sustainable manner.

**IMPORTANT TO THE GROUP**



It is important to the Group to define, plan, organise and implement our projects in such a way that they comply with general and specific laws and regulations that are important for the project, as defined in the contract basis.

**THE GROUP'S AMBITION**



Our ambition is to contribute to professional and responsible behaviour. Proper, decent behaviour is part of the way we conduct our business at all times.

Policies and agreements that guide the Group's work

- Code of Conduct
- Environment policy

**ACTION AND ACHIEVEMENTS 2018**



The Group did not incur any fines or sanctions for non-compliance with environmental laws or regulations. We issued a joint, Group-wide Code of Conduct, which explains the behaviour we consider to be correct, and how employees in our Group should and should not act. The principles are thus designed to guide

us in our daily decision-making and to help us to act and operate our business professionally, respectfully and in accordance with statutory requirements, customer requirements and other requirements.

**EXPECTATIONS/INITIATIVES 2019**



Zero fines or sanctions. We strive to prevent or minimise the environmental and climate impacts of our various activities and projects, and we endeavour to promote the development and distribution of environment-friendly technologies and solutions. We must actively provide information on the environmental risks and impacts associated with our operations, and we must continuously explore opportunities for minimising or eliminating these based on a precautionary principle. We do not tolerate breaches of our environmental stewardship that can be harmful to the environment and the climate.

**Fines and sanctions for non-compliance with environmental laws and regulations**

The Group did not incur any fines or sanctions for non-compliance with environmental laws or regulations, and was not involved in any such cases referred for dispute resolution.

**Product and certification schemes**

Certification, accreditation and labelling schemes may be voluntary or compulsory. As a minimum, all of the Group's projects comply with current regulatory requirements.

Voluntary certification, rating and labelling schemes are increasingly being used to verify processes and products. In the construction industry, they provide clients, lessors and owners with assurance that the buildings comply with measurable requirements with regard to environmental, economic and social aspects.

The Group has chosen to report on the number of voluntary schemes in the construction industry in which the Group's projects participate.

**Sustainability certification, accreditation and labelling schemes for buildings**

In 2018, the Group worked on 11 construction projects with sustainability certifications:

- Køge Kyst (DGNB)
- Fælleshuset i Aars (DGNB)
- Slagelse Hospital (DGNB)
- Hummeltofteparken (DGNB)
- Skovly/Magdaleneparken (DGNB)
- Building 310 (DGNB)
- Nordea Domicil Øst (LEED)
- Data centre (LEED)
- Data centre (BREEAM)
- Skråningen/EcoVillage (Nordic Swan Ecolabel)
- Gaardhaverne (Nordic Swan Ecolabel).



# Contact

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